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## Trade, Commerce, and Commercial Crises

*The Great Illusion: A Study of the Relation of Military Power in Nations to their Economic and Social Advantage.* By NORMAN ANGELL. (New York: G. P. Putnam's sons. 1910. Pp. xvi, 388. \$1.50.)

This work is a revised version of a pamphlet published the previous year entitled *Europe's Optical Illusion*. The new edition appeared simultaneously in eleven countries and ten different languages, and has attracted considerable attention. The main thesis is that "political and military power is economically futile." Thus it is argued that armies and navies cannot capture or destroy the trade of rivals, because trade depends on natural resources and ability to utilize them. It is also contended that the British colonies are a burden rather than an advantage, consequently no other nation could gain, nor could England lose, by their conquest. It is further maintained that no nation can increase its wealth by increasing its territory, because the land will still be owned by its inhabitants. Finally it is asserted that the conquerer cannot confiscate the wealth of a conquered territory, because such a blow to credit would bring ruin upon the conquerer no less than the conquered. This is indeed the point on which the author lays chief stress. Just as Mr. Bloch argued (shortly before the Russo-Japanese war) that high power guns and big armies had rendered war forever impossible, so Mr. Angell maintains that "the telegraph and the bank have rendered military force economically futile."

As a peace polemic, the work has considerable merit. It deals effectively with various crudities of thought inherent in popular thinking and writing on the subject. It brings out the tendency in modern society to stratify horizontally, on a class basis, rather than vertically, on a national basis. It points out that for purposes of struggle with physical environment, the whole human race, or at least that portion of it entering into foreign commerce, may be regarded as a single coöperative organization. Finally it is written in a vigorous, sweeping style, which makes it attractive reading.

As a serious economic argument, however, the work is less successful. There are numerous errors of fact and of language, not vital in themselves but indicative of lack of scholarship, and likewise not a few logical fallacies. Thus it is asserted that nothing

benefits a nation as a whole unless it directly benefits the individual citizen, whereas an ancient canon of logic affirms that what is true of the whole is not necessarily true of the parts. Again, it is asserted that all Europe is obsessed with the idea that conquest greatly benefits the conqueror; while another chapter is devoted to showing that the small states of Europe are safe merely because no one could profit by conquering them. Evidently Europe cannot at the same time be obsessed with the idea that conquest is profitable, yet refrain from conquest on the ground that it is unprofitable. Again, there is no evidence of familiarity with other writings on the economics of war, nor indeed with economic principles in general, aside from certain commonplaces about the financial interdependence of all countries. This is in fact the fundamental defect of the book: the problem is seen merely as it might appear to a trader on 'change. The basic matter of production is wholly ignored; the laws of increasing and decreasing returns are not even mentioned. There is consequently no suspicion that the interests of two manufacturing countries competing for the same markets are in irreconcilable conflict; yet this is the fact which underlies most modern wars and rumors of wars, especially the growing tension between England and Germany.

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#### NEW BOOKS

HOENIG, A. *Der Erz und Metallmarkt.* (Stuttgart: F. Enke. 1910. Pp. viii, 450. 10.80 m.)

HULL, G. H. *Industrial Depressions.* (New York: F. A. Stokes Co. \$2.50.)

JUROWSKY, L. *Der russische Getreideexport, seine Entwicklung und Organisation.* Münchener volkswirtschaftliche Studien. (Stuttgart: J. G. Cotta Nachf. 1910. 4.50 m.)

LEENER, G. DE. *Le commerce au Katanga: Influences Belges et étrangères. Missions dans le Katanga.* Instituts Solvay. Travaux de l'Institut de Sociologie. (Brussels: Misch et Thron. 1911. Pp. xviii, 143. 3 fr.)

Relations with Rhodesia and the part taken by European countries in the development of this district.

MARX, A. *Die französische Handelsgesetzgebung.* (Bonn: Carl Georgi. 1911. Pp. xv, 390. 5 m.)